



*Advising the Congress on Medicare issues*

# Hospice utilization and quality issues

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# Content of this presentation

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- Follow-up items from previous meetings
- Analysis of visit data from one hospice chain
- Overview of quality of hospice care
- Final comments on June report chapter

# MedPAC's recent discussions of hospice

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- History of Medicare's hospice benefit
- Eligibility and coverage
- Payment system, including cap
- Hospice spending relative to conventional end-of-life care
- Quality of hospice care

## Access to hospice is high in states with large numbers of hospices reaching cap, 2005

State	Percent of hospices reaching cap	Hospices per 10,000 beneficiaries	Hospice users / Medicare decedents
Mississippi	36.0	2.3	51.5%
Oklahoma	28.3%	2.9	60.0
Utah	21.2	2.4	70.2
Arizona	20.0	0.7	67.6
Alabama	17.9	1.6	56.3
Nevada	0.0	0.4	46.7
Maryland	0.0	0.3	34.3
DC	0.0	0.3	24.8
Rhode Island	0.0	0.3	42.4

- Hospices in states with high cap rates assert cap will create access problems
- But access in high-cap rate states is high, regardless of measure

# Geographic adjustment increases number of rural and other hospices exceeding cap

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- Rural hospices exceeding cap would increase by 21 percent (n=18)
- Nonprofit hospices exceeding cap would increase by 26 percent (n=4)
- Provider-based hospices exceeding cap would increase by 24 percent (n=4)
- Some urban effect as well

# Level of overpayments varies substantially, with impact on margins

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- 220 of ~2,900 hospices exceeded cap in 2005
- Cap overpayments ranged from 9 percent (25<sup>th</sup> percentile) to 35 percent (75<sup>th</sup> percentile) of Medicare payments
- Net margins also vary:
  - Margin w/actual payments
    - 4.7% (25<sup>th</sup> pctl) - 28% (75<sup>th</sup> pctl)
  - Margin after return of overpayments
    - -35.6% (25<sup>th</sup> pctl) – 26.3% (75<sup>th</sup> pctl)

# Few patients rescind election, or use more than one hospice

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Percent of patients revoking hospice	7.5
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Percent of patients  
using:

1 hospice	96.97
2 hospices	2.86
3 – 8 hospices	0.17



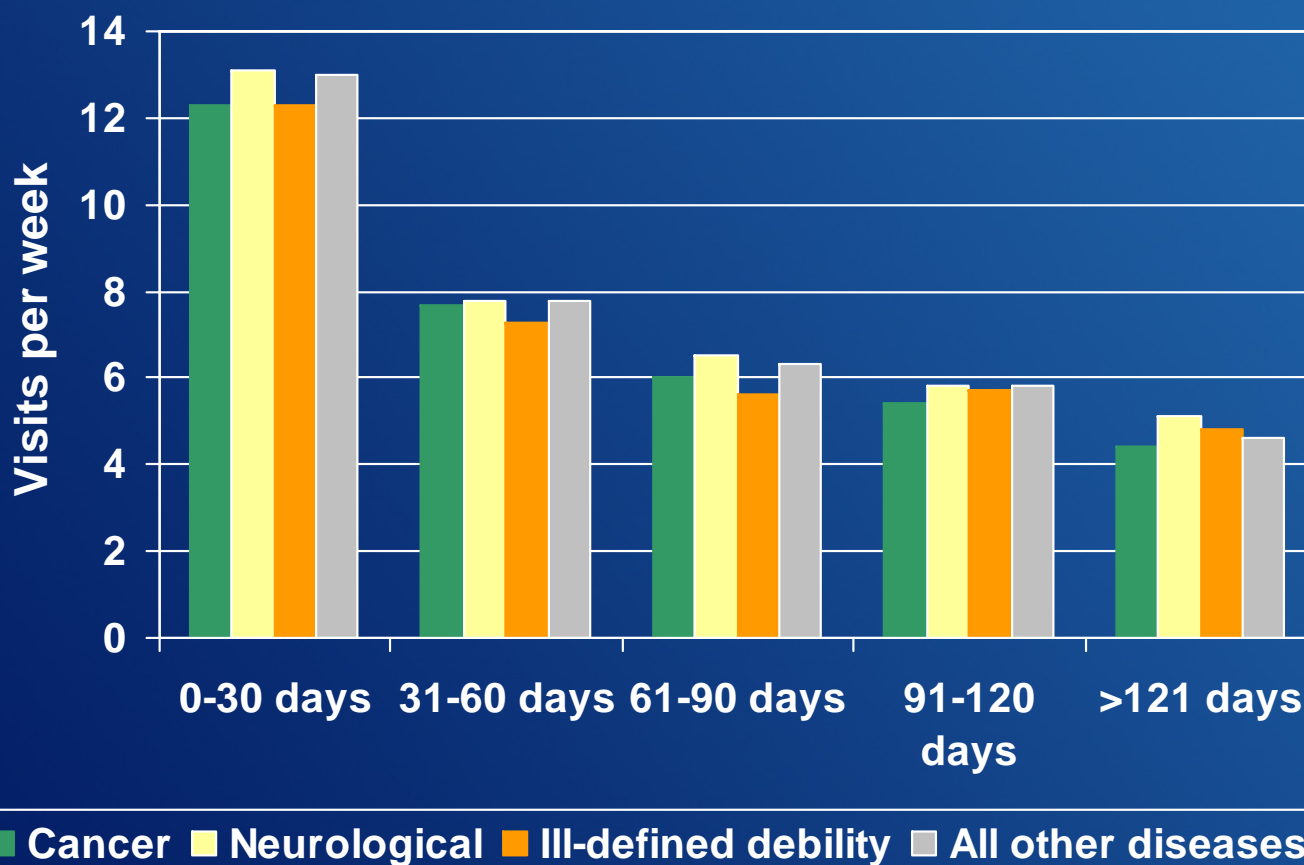
# Visit-level patient data from one large for-profit hospice chain

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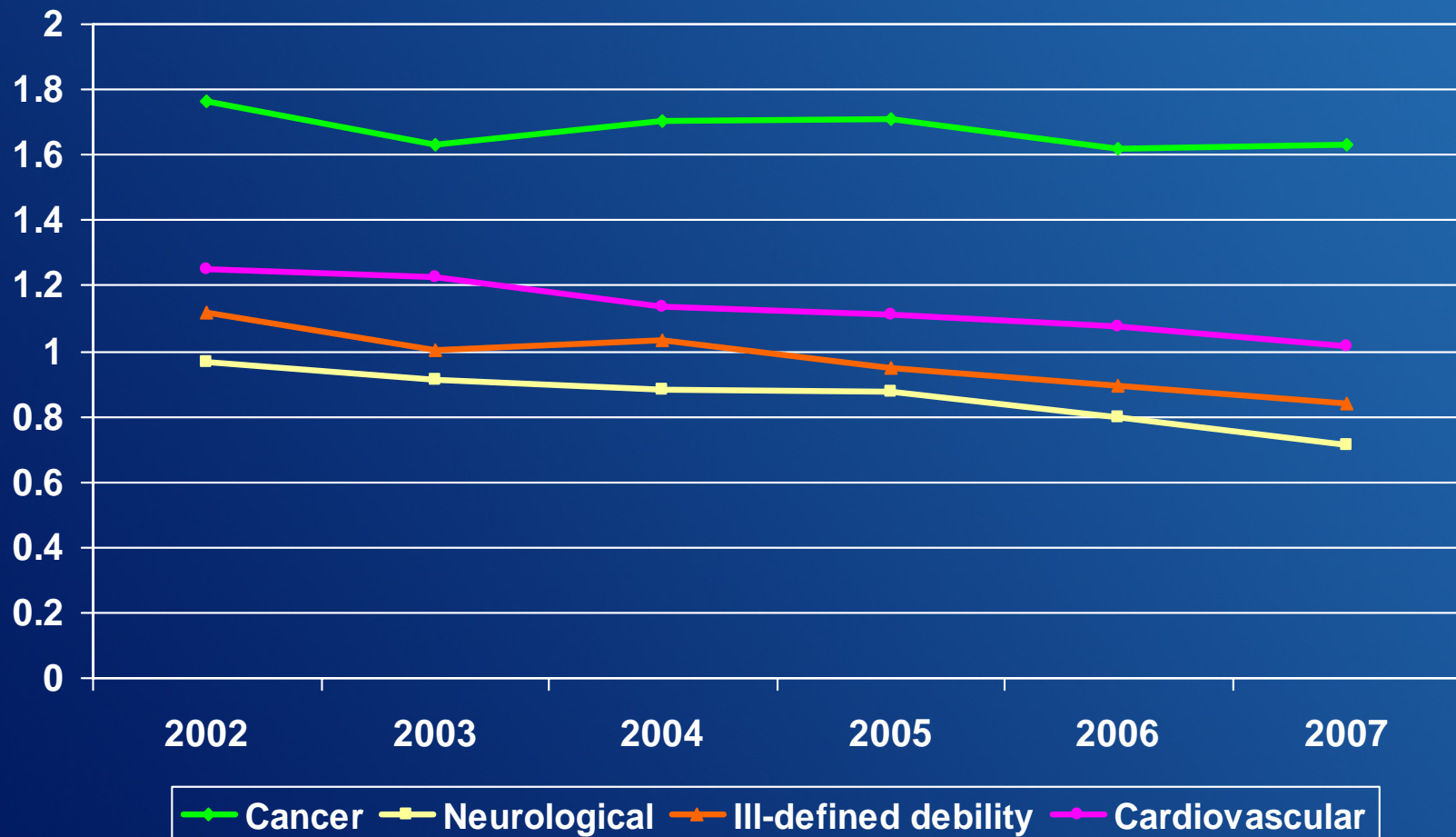
- Large for-profit chain
  - 44 hospice agencies in 17 states, serving approx. 5% of Medicare's hospice population
  - Visit-level patient data from 2002 to 2007 includes patient diagnosis, duration of each visit and episode, type of provider of each visit, location of each visit
- Findings corroborate broad Medicare hospice program trends
  - Average patient length of stay has increased
  - Patient case-mix includes lower proportion of cancer patients



# Visits per week driven by patient length of stay, 2007



## Ratio of visits conducted by nurses to home health aides, by diagnosis, 2002 to 2007



## Summary: Observations of data from one large for-profit hospice chain

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- Variation in visits per week is a function of length of stay, rather than diagnosis
- Intensity of provider service mix varies by diagnosis
- Visit-level patient data enables in-depth episode trend analysis that is otherwise unavailable

# Hospice quality of care

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- NHPCO – Family Evaluation of Hospice Care Survey (1999)
  - Pain and symptom management
  - Meeting physical and psychological needs
  - Communication

# Survey data presents challenges for use by Medicare

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- Survey participation and response bias
- Subjective nature of questions / responses
- Collected from family members
- May not adequately differentiate hospice performance

# Family satisfaction with hospice care seems not to vary by length of stay

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Diagnosis	Percent rating care 'excellent'	Percent rating care 'very good / good'	Percent rating care 'fair/poor'
Cancer	77.9	20.5	1.6
Dementia	73.3	24.9	1.8

Source: Mitchell *et al.* 2007. Hospice care for patients with dementia. *Journal of Pain and Symptom Management*, 34(1):7-16.



## Newer initiatives to assess quality of hospice care

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- NAHC – Family and Patient Satisfaction Survey (Fall 2007)
- CMS / N. Carolina QIO “PEACE” project (February 2008)
- American Hospice Foundation – hospice “report card” (not yet implemented)

# Administrative measures of quality

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- Admissions / intake procedures
- Visit intensity
- Staffing (e.g., number of patients per registered nurse, staff turnover)

# Topics for future focused review

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- Cost reporting / data: payment and quality
- Certification of eligibility for hospice, including accountability
- Payment system reforms

# Summary

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- Material covered to date
  - History of Medicare's hospice benefit
  - Eligibility and coverage
  - Payment system, including cap
  - Hospice spending relative to conventional end-of-life care
  - Quality of hospice care
- Input on June report chapter